GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:860
ANSWERED ON:17.08.2007
LOAN TO FARMERS
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Will the Minister of FINANCE be pleased to state:

(a) whether the farmers are facing difficulties in getting loans from the banks;

(b) if so, the action taken by the Government against those banks which have not extended credit in pursuant to the target set out by the Government;

(c) whether the Government proposes to provide loans to farmers on the lines of industry;

(d) if so, the reaction of the Government in this regard; and

(e) the break-up of loan amount given to the farmers from nationalised banks during the last two years, year-wise and bank-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b) : As per the Report published in 2003 on the `Indebtedness of Farmer Households` (as part of Situation Assessment Survey of Farmers - 59th Round) by NSSO, Ministry of Statistics and Programme Implementation, out of 89.35 million farmer households, 43.42 million (48.6%) were indebted. The Government announced a Farm Credit Package in June 2004 to double the disbursement of Agriculture Loan. Consequently, from a base figure of agriculture credit flow of Rs.86,981 crore in 2003-04, agriculture credit flow has been Rs.2,03,297 crore during 2006-07.

(c) & (d) : To reduce the burden of interest on Crop Loans availed by farmers for Kharif and Rabi 2005-06, an amount equal to two percentage points of the borrower`s liability on the principal amount upto Rs.1,00,000/- each was credited to their account. Thereafter, from Kharif 2006, to ensure that the farmer receives Short-Term Production Credit at 7% with an upper limit of Rs.3 lacs on the principal amount, the Government is providing interest subvention of 2% per annum to Public Sector Banks, Regional Rural Banks(RRBs) and Cooperative Banks on their lending from their own resources and refinance at concessional rates to Cooperative banks and RRBs on their borrowings from NABARD.

(e) : The details of agriculture credit given to the farmers by the Public Sector Banks during the year 2005-06 and 2006-07 are annexed.

Annex.

Special Agricultural Credit Plan for PubHc Sector Banks:
Bank-wise disbursements to agriculture during the yean; 2005-06 & 2006-2007

Sr.No.	Name of Bank	Disbursement 2005-06	2006-07#
1	State Bank of India	20895.76	25248.66
2	SB Of Bikaner and Jaipur	980.74	1319.89
3	State Bank of Hyderabad	1387.13	1799.82
4	State Bank of Indore	814.73	1123.15
5	State Bank of Mysore	1274.00	1660.00
6	State Bank of Patiala	3203.15	3683.32
7	State Bank of Saurashtra	1628.24	1939.78
8	State Bank ol Travancore	1729.32	2090.48
9	Allahabad Bank	2847.33	3525.24
10	Andhra Bank	2724.75	3468.25
11	Bank of Baroda	4302.38	5452.46
12	Bank of India	4399.67	5778.64
13	Bank of Maharashtra	1673.18	2134.00
14	Canara Bank	7211.20	
15	Central Bank of India	3294.28	4472.90
16	Corporation Bank	1106.61	2115.91

17	Dena Bank	901.42	1315.40
18	Indian Bank	3604.37	4651.70
19	Indian Overseas Bank	4207.57	5896.91
20	Oriental Bank of Comm	1486.13	2602.83
21	Punjab National Bank	9855.93	12954.36
22	Punjab & Sind Bank	1697.37	2566.73
23	Syndicate Bank	3107.14	4388.37
24	Union Elank of India	4438.00	5333.39
25	United Bank of India	1401.00	1902.64
26	UCO Bank	2375.64	3112.57
27	Vijaya Bank	1730.75	2273.55
	Total	94277.79	112810.95

Provisional